

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SEDALIA WATER)	
DISTRICT FOR A RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	91-462
FILING PROCEDURE FOR SMALL UTILITIES)		

O R D E R

On December 18, 1992, Sedalia Water District ("Sedalia") filed an application for Commission approval of a proposed increase in its rates for water service. Sedalia's proposed rates for water service would generate additional annual revenues of \$7,020, an increase of 35 percent.

In February 1992, the Commission Staff conducted a field review of Sedalia's test-period financial records. Based upon this review, Commission Staff issued its report on March 31, 1992 recommending a \$7,579 increase in Sedalia's annual operating revenues for water service.

By Order dated March 31, 1992, the Commission advised Sedalia that comments on the Staff Report or requests for a public hearing must be submitted no later than April 15, 1992 or this case would stand submitted to the Commission for decision. No comment on the Staff Report nor request for a public hearing has been received from Sedalia.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Sedalia and will produce gross annual revenues of approximately \$27,408 for water service based on test-year sales. These rates will allow Sedalia sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

3. The rates proposed by Sedalia are rejected as inconsistent with that found reasonable herein and should be denied upon application of KRS 278.030.

IT IS THEREFORE ORDERED that:

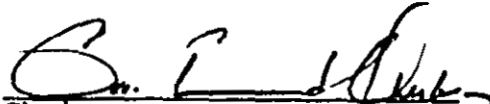
1. The rates proposed by Sedalia in its application are hereby denied.

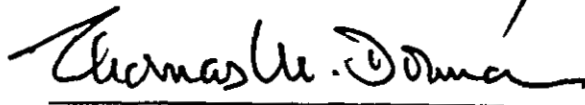
2. The rates in Appendix A are approved for service rendered by Sedalia on and after the date of this Order.

3. Within 30 days of the date of this Order, Sedalia shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 5th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-462 DATED MAY 5, 1992

The following rates and charges are prescribed for the customers in the area served by Sedalia Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Customer Class

Rates

First 2,000 gallons
Next 2,000 gallons
All Over 4,000 gallons

\$8.45 Minimum Bill
2.75 per 1,000 gallons
1.35 per 1,000 gallons